

**Top Secret**

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NATIONAL INTELLIGENCE DAILY CABLE

Wednesday October 27, 1976

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**NATIONAL SECURITY INFORMATION**

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National Intelligence Daily Cable for Wednesday, October 27, 1976.

The NID Cable is for the purpose of informing senior US officials.

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LEBANON: Situation Report

25X1 [ ] The Arab summit conference in Cairo ended last night after affirming support for the Lebanese cease-fire arranged at the six-party meeting in Saudi Arabia last week.

25X1 [ ] Arab League Secretary General Riyad later announced that the conservative Arab oil states--Saudi Arabia, Kuwait, the United Arab Emirates, and Qatar--would underwrite most of the financial costs of the peace-keeping force and that Lebanese President Sarkis would have the final say on the force's composition.

25X1 [ ] The willingness of most of the other Arab states to go along with these arrangements represents another victory for Syria over the Palestine Liberation Organization, as it will allow the Syrians to dominate the Arab force. The PLO had joined with the radical Arab states in attempting to limit Syria's participation, which could include as many as 25,000 of the planned 30,000-man force.

25X1 [ ] To placate the Palestinians, the conference did reaffirm past declarations that the PLO is the "sole legitimate representative of the Palestinian people," promise to support the Palestinian struggle "with all means," and condemn Israeli "acts of aggression" in southern Lebanon.

25X1 [ ] Fighting in the south diminished yesterday with all sides holding their positions. Right-wing forces continued to shell the Muslim town of Bint Jubayl but claimed to have established effective control of the area between Rumaysh and the Arqub.

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25X1 [ ] //The Christian militia leaders at present appear primarily interested in securing the withdrawal of the fedayeen from contested areas of central Lebanon. Leaders of

Camille Shamun's National Liberal Party militia reportedly are still hoping to renew their offensive in the Alayh area with Syrian backing if no withdrawals follow the summit conference.//

25X1 [ ] The Riyadh accord called for significant pullbacks by all armed groups from major highways and central and southern Lebanon by yesterday and for withdrawals from Beirut and its suburbs by tomorrow. So far we have seen no evidence that any party is attempting to meet these deadlines. [ ]

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USSR: Central Committee Elections

25X1 [ ] The Soviet Central Committee yesterday elected a new member of the Secretariat and promoted three candidate members of the Central Committee to full membership. It also approved the five-year economic plan and next year's plan and budget, which are to be reviewed by the Supreme Soviet today.

25X1 [ ] The new party secretary is Yakov P. Ryabov, the party first secretary of the Sverdlovsk region in the Urals. Party secretary Kirilenko has career ties to this area and is probably Ryabov's patron. Ryabov, 48, has worked in industry and in a series of party posts in Sverdlovsk, a major center of heavy industry, but we are not aware of his new duties.

25X1 [ ] The plenum did not remove Defense Minister Ustinov from the Secretariat, which may mean that he will continue to oversee the defense industry for the party. Under Brezhnev, Soviet leaders previously have not held full-time party and government posts simultaneously.

25X1 [ ] N. A. Tikhonov, who was promoted to first deputy premier in early September, was not awarded the Politburo status that usually goes with the post. A picture of the leadership last month in the press, which showed Tikhonov standing with full members of the Politburo, indicated an effort to advance his candidacy.

25X1 [ ] The lack of action on moves for which preparations seem to have been made may reflect some disagreement among the leaders as well as their long-evident reluctance to make changes

in the senior leadership. The plenum's outcome does not preclude the Supreme Soviet from announcing some changes on the government side, and fuller treatment of the plenum's implications awaits the results of the session today.

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#### ITALY: Communist Party Changes

Leadership changes in the Italian Communist Party made at last week's Central Committee meeting indicate that party chief Berlinguer is working to strengthen his grip in the face of increasing dissent over his policy of cooperation with the Andreotti government.

The changes are consistent with Berlinguer's effort since his election as secretary general in 1972 to consolidate his personal control of the party. At the party congress last year, for example, Berlinguer managed to eliminate the Politburo--a preserve of the party's old guard which had hindered his freedom to maneuver. He also added more of his allies to the party secretariat.

In the personnel shuffle last week, Berlinguer reduced the Secretariat from nine to eight members and replaced two men appointed in 1975 with two newcomers who are reportedly even closer to him.

//In addition, Berlinguer put one of his confidants, Giovanni Cervetti, in charge of the party's key organization section. There are signs that Cervetti--who appears to be a rising star in the party--may be open to some liberalization of internal party procedures.

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Another secretariat member who appears close to Berlinguer was given responsibility for the press and propaganda section.

Despite the dissenting views expressed during the Central Committee meeting, the session ended with an endorsement of Berlinguer's policies. In his concluding statement,

Berlinguer assured the committee that he would insist on pledges from the government of social and economic reform and a larger policymaking role in return for his cooperation. [REDACTED]

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MALTA: Mintoff Tightening Control

[REDACTED] Maltese Prime Minister Dom Mintoff is creating uneasiness among his opponents by strengthening his political control following his narrow but decisive victory in last month's national election.

[REDACTED] On October 11--after Malta's constitutional court agreed to hear an opposition Nationalist Party suit charging vote fraud--Mintoff summarily transferred two of the court's three judges and replaced them with justices more favorably disposed toward his own Labor Party. The Nationalists immediately dropped their suit, claiming that the "independence and freedom" of the courts had been infringed.

[REDACTED] The opposition is also concerned about the expected naming of a long-time Labor Party stalwart to the Presidency, a post the Nationalists insist ought to be above narrow partisan considerations. In addition, the opposition is troubled by a Mintoff directive requiring government officials to obtain prior approval to attend parties at foreign missions and to report back to Mintoff's office any discussion involving Maltese official business.

[REDACTED] The Prime Minister's actions are a bit more extreme than some strictly partisan measures he has adopted in the past, but they are entirely in character. Although technically his interference in the traditionally independent judiciary is constitutional, it does appear to add substance to opposition charges that he is growing increasingly autocratic.

[REDACTED] Mintoff already runs the executive with an iron hand and, although the Labor Party enjoys only a three-vote majority in Parliament, party discipline ensures passage of virtually any legislation he wants.

[REDACTED] These latest moves appear to serve notice that Mintoff will tolerate little interference in his plans to sever Malta's

25X1 military ties with the UK and the West, steer a neutral foreign policy course, and pursue his program of "democratic socialism" at home. [REDACTED]

POLAND: Student Dissidents Active

25X1 [REDACTED] The Polish leadership is worried about a possible outbreak of violence at Warsaw University, the US embassy reports.

25X1 [REDACTED] The embassy notes that over the past several months there has been a proliferation of dissident manifestoes and increasingly open protests against regime policies. [REDACTED]  
25X1 [REDACTED] the Workers Defense League, which was established to protest the regime's retaliation against those who demonstrated in June, was organized at the University.

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25X1 [REDACTED] Although both workers and intellectuals have caused problems for the government in the past, it is unusual for dissidence to develop among the two groups at the same time. The student effort to identify with the workers may be particularly worrisome for the regime, which probably views such an alliance as a new impediment in dealing with either group with serious economic problems.

25X1 [REDACTED] The government so far has avoided using repressive measures against the students, and security organizations have kept a low profile at the University in order not to increase tensions. The students have demanded that the party and government send representatives to hear their grievances. Several prominent Polish journalists recently have met with the students in an attempt to satisfy their demands. [REDACTED]

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JAPAN: Fishing Negotiations



[REDACTED] //Japan has publicly argued that the 200-mile zone that the US plans to impose in March is illegal under international law, but it almost certainly would acquiesce to US authority within the 200-mile region even if agreement is not reached during the talks in Tokyo.//

25X1 [ ] //The two sides will also discuss in Tokyo the new system for calculating fishing quotas. Japan is particularly concerned over the quota-setting power given the eight US regional councils under the 1976 US Fishing Conservation and Management Act. Each council will determine the surplus fish harvest available to foreign fleets. Japan would prefer to deal directly with Washington, where negotiators could put fishing in the context of overall bilateral relations.//

25X1 [ ] //Japan will ask for special consideration at the negotiations on the quota question citing its role as the world's leading fishing nation, the importance of fish in the Japanese diet, and its close political ties with the US. Japan relies more heavily on fish for animal protein than any other developed country. In 1974, consumption of fish products accounted for 56 percent of animal protein in Japan, compared with 2 percent in the US.//

25X1 [ ] Japanese domestic consumption of fish has increased faster than fish caught. Since 1970, Japan has shifted from a net exporter to a large net importer, in part because it has been buying more expensive products.

25X1 [ ] Although only a small factor in Japanese gross national product, the fishing industry carries considerable political clout. The industry employs nearly half a million people, mainly in the northern island of Hokkaido--a stronghold of the ruling Liberal Democratic Party.

25X1 [ ] The Japanese industry is particularly vulnerable to pressures from coastal countries because it harvests 45 percent of its catch within 200 miles of foreign shores. Thirteen percent of Japan's catch comes from within 200 miles of US shores. In 1974, the Japanese fleet harvested 1.4 million tons in US waters, mostly Alaskan pollock, accounting for 60 percent of the total foreign take in the US 200-mile zone.

25X1 [ ] //Minor reductions in the informal quota for Japan's catch in US waters--of perhaps 10 to 15 percent--would not hurt the fishing industry. Sharper reductions, however, would adversely affect fishing activity and would almost certainly cause political problems for the Miki government. A 40-percent cut in the US quota, for example, would result in the layoff of 20,000 workers if yields were not increased in other fishing areas.//

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[REDACTED] //Since almost all the Alaskan pollock harvested is consumed in Japan, a reduction in the Japanese catch in US waters would result in higher imports from the US.//

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[REDACTED] Both the Japanese government and the fishing industry are already adapting. Many large firms have sharply cut back new investments in ships and fish processing equipment and are shifting to nonfishing activities. Others are increasing direct investment in foreign fishing fleets and plants.

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[REDACTED] For its part, the government has launched a \$700-million, seven-year program to increase fishing yields in Japanese coastal waters. [REDACTED]

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#### BRAZIL-CHILE-PERU: Better Relations Ahead

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[REDACTED] Brazil is attempting to strengthen ties with Peru and Chile without becoming involved in the long-standing Peru-Chile border tensions. Preparations are under way for a meeting November 5 between Brazilian President Geisel and Peruvian President Morales Bermudez. Last month the Brazilian army minister made an official visit to Chile.

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[REDACTED] The agenda for the presidential meeting reflects Brazil's essentially economic interest in Peru. According to reliable press reports, several bilateral agreements will be signed, including a long-term trade exchange--Peruvian non-ferrous metals for Brazilian agricultural products--estimated to be worth over \$100 million annually. [REDACTED]

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[REDACTED] Brazilian Foreign Minister Silveira has placed new emphasis on developing firmer relationships throughout Latin America, and the tactic seems to be working to Brazil's advantage. [REDACTED]

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[REDACTED]

the six military governments of the Southern Cone feel somewhat abandoned by the US, particularly because of recent developments in the human rights area. The result has been closer cooperation among Southern Cone governments in a variety of areas.

[REDACTED]

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